



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

20 October 1994



SFRD-KP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Small Purchase Contracting Authority under the Defense Performance Review

The Under Secretary of Defense (Acquisition and Technology) issued the enclosed 25 July 1994 policy memorandum, subject as above, in support of the National Performance Review. The memorandum encourages empowering non-procurement government employees to buy common supplies and services. The Army will implement this initiative in two ways: by expanding use of the GSA Credit Card Program and issuing contracting officer warrants to non-procurement personnel.

First, I encourage you to further expand use of the current credit card program to a greater number of non-procurement personnel under the guidelines of AFARS 13.90 and your internal operating procedures. You may authorize cardholders not assigned to a contracting office (non-procurement personnel) to make over-the-counter purchases of up to \$2,500 on any single buy. Current training requirements for issuance of credit cards under this program is a minimum of eight hours on small purchases, credit card orientation, and government ethics.

Secondly, you are encouraged to take advantage of the capabilities inherent in the Army Credit Card Program by issuing contracting officer warrants to qualified personnel outside of the 1105 job series for purchases in excess of \$2,500 as long as adequate internal controls are maintained. Contracting officers warranted under this initiative will likely be functioning in this role only on a part-time basis, will not be assigned to a purchasing office and will be limited to making purchases under the Credit Card Program. They shall maintain regular contact with the purchasing office and be aware of changes to the rules (regulatory and statutory) which govern procurement. While the USD(A&T) recommends limiting initial contracting authority (warrants) to other than procurement personnel at \$2,500, any dollar value threshold can be granted appropriate to your own situation, but shall not exceed \$25,000.



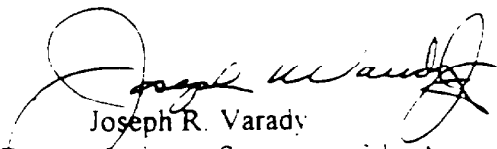
To grant contracting officer warrants to non-procurement personnel, the following minimum requirements must be met:

a. Contracting officer warrants are to be issued in accordance with the general selection criteria and appointment procedures established in FAR 1.603. The minimum basic requirements for issuing a warrant with a \$2,500 limitation are completion of the mandatory training courses: Purchasing Fundamentals (PUR 101) or Operational Level Purchasing (PUR 102) and Intermediate Purchasing (PUR 201). These courses are further identified in the Defense Acquisition University 1993-1994 catalog (ADS-93-01-CG).

b. The \$2,500 threshold may be raised as individuals obtain purchasing experience and knowledge. However, increases in the threshold shall be consistent with the mandatory experience requirements identified in DoD 5000.52M, Career Development Program for Acquisition Personnel, for the GS 1105 series (i.e., level II after one year, level III after three years of experience). Any additional experience or knowledge you deem necessary, in relation to the complexity of the acquisitions to be assigned, shall also be obtained.

In your decision to issue warrants to non-procurement personnel for other than credit card purchases, you must weigh the benefits to be derived from establishing an "off-site" contracting capability (i.e., warranting non-procurement personnel) against the additional burdens which may be created with meeting document generating and reporting requirements (e.g., manual typing of purchase orders and DD Forms 1057, "Monthly Contracting Summary of Actions \$25,000 or Less"). In addition, the Principal Assistant Responsible for Contracting (PARC) at the major command/major subordinate command level and the Director of Contracting (DOC) at the installation level, shall establish appropriate internal controls and oversight on procurement and financial matters and conduct periodic reviews to assure the integrity of the procurement system.

I have every confidence that you will execute this expanded authority to issue contracting warrants to non-procurement personnel in a responsible manner. Points of contact for this issue are Ms. Susan Schneider and Mr. Bruce E. Sullivan at (DSN) 289 or (703) 756-7566 and 2086, respectively.


Joseph R. Varady
Acting Deputy Assistant Secretary of the Army
(Procurement)

Enclosure